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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

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COUNTRY Yugoslavia

DATE DISTR. 11 Oct. 1950

SUBJECT Opinions of a Yugoslav Communist on the
Current Internal Situation

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1. The export of foodstuffs [redacted] is causing very serious food shortages in Yugoslavia.
2. The confidence of Yugoslav Communist Party members in the Tito regime is waning.
3. Although the current drought is partly responsible for the economic collapse of the country, the chief cause is the rampant confusion in Yugoslav industry. This confusion is the result of mismanagement of the industrialization program and the recent injudicious implementation of the decentralization program.
4. Large numbers of administrative personnel in government and industry, including a high percentage of experienced employees in the 40 to 50 year age group, are being dismissed in order that the government may cut down payroll expenses and retrieve special ration cards which entitle the holder to a greater amount of food and clothing than the ordinary cards. The dismissed employees are forced to seek work in the mines or on farms. Those workers who are retained are generally apathetic and demoralized because of the constant fear of dismissal.
5. Because of the poor harvest and the excessively high agricultural quota demands, serious uprisings occurred during July and August in the Lika area.
6. The Serbian minority in the Lika area felt that they were being discriminated against by the Croatian Communist Party. The recently condemned Communist Frecani Serb leaders Brkic, Zigic, and Opacic protested to the Communist Party of Croatia against overtaxing the people, especially the Serbs, who were already laboring under hardships. They also protested against the imposition of unattainable quota demands. Brkic, Zigic, and Opacic have been replaced by

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inexperienced Serb personnel.

7. The internal situation is now compelling the Yugoslav Government to consider modifying its unrealistic industrialization program, which is being carried out at the expense of the people.

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